

PART TWO

Confidential facts and advice

Property Compliance and Audit (C&A) Provision (update)

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Governance Team for advice.

This information is not for publication because:

Publication of the information included in this report is deferred as its disclosure would be likely to prejudice the commercial interests of the London Fire Commissioner as the expected costs of the compliance and audit service is commercially sensitive ahead of the procurement process.

Legal recommendation on the grounds of keeping the information confidential:

In the event the information contained in this Part Two and/or its appendix is the subject of a request for information under section 1 of the Freedom of Information Act 2000 (the "Act"), it is considered that access can be denied on the basis that such information constitutes exempt information under:

Section 43(2) of the Act on the basis that the information in this report includes information which is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

Public Interest Assessment

At present, on balance, it is considered that the public interest is best served if the information is not disclosed at this point. Disclosure by the LFC would be likely to have a detrimental effect on the LFC's position and related commercial interest regarding the expenditure incurred for the purposes of the compliance and audit contract.

The eligibility of these exemptions should be reassessed in the event of a request under the Act for this information as the level of sensitivity will change over time and different circumstances may alter the arguments in favour of non-disclosure.

The recommended period for non-publication of Part 2 is until 1 January 2025, after successful procurement and tender award.

Legal Adviser

I make the above recommendations that this information should be considered confidential at this time.

Name:	Date:
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Confidential decision and/or advice

For the Deputy Mayor

That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner (LFC) to commit revenue expenditure of up to the of up to £1,149,218 over a four-year contract period (three year term with an option to extend for a maximum of 12 months) for the services outlined in document Part One.

For the London Fire Commissioner

The London Fire Commissioner delegates authority to the Assistant Director, Property and TSS to commit revenue expenditure of up to the amount set out in this report.

Introduction and background

The contract services are set out under five key areas below. The proposed division of these services between core and additional services enables the contract services to remain within the department budget despite the context of high-cost inflation. It is expected that additional value in the form of CPD and industry research will also be provided by the supplier.

Service Element (allowing 3% PA increase)	Year 1	Year 2	Year 3	Year 4	Total
Statutory Compliance Monitoring	£116,115	£119,598	£123,186	£126,882	£485,781
Commercial Auditing on Quotations	£67,278	£69,296	£71,375	£73,516	£281,465
Building Fabric and M&E Condition Surveys	£61,302	£63,141	£65,035	£66,986	£256,464
Technical Site Auditing	£15,000	£15,450	£15,913	£16,391	£62,754
Technical Support	£15,000	£15,450	£15,913	£16,391	£62,754
Total	£274,695	£282,935	£291,422	£300,166	£1,149,218

Objectives and expected outcomes

This is covered in part 1 of this report.

Financial comments

This report requests approval to commit £1,149,218 of revenue expenditure towards the procurement of a Compliance & Audit (C&A) services contract. The new contract will run for three years, starting in February 2024 with an option to extend for a further twelve months maximum.

The estimated four-year cost of the contract is £1,149,218 as set out above which includes a 3% estimated annual inflation totaling £50,438 across the four-year period.

The budget allowance for the service is £245,198 per annum or £980,072 over the four-year period. The additional contract cost of £117,988 (excluding inflation) over the four-year period will be covered from within existing departmental revenue budgets.

Should it become necessary, it is expected any annual inflationary increases within the procurement period will be based around the Retail Price Index (RPI). It is expected that the contingency would be utilised to account for any inflationary increases.

All LFC contractual inflationary increases are reviewed on an annual basis. The LFC budgets for inflation on an item-by-item basis, and the LFC will review those assumptions as part of its budget process, including the £50,438 identified above.

Legal comments

Please refer to part 1 of this report.

Confidential appendices and supporting papers

Part 2 of LFC report LFC 23-124 Compliance and Audit Contract (update)